

Valley City-Barnes County Development Corporation Board Meeting

Monday, March 9, 2015

6:45 a.m., Regional Technology Center, 415 Winter Show Road (Large Conference Room)

PRESENT: Paige Bjornson, Tony Kobbervig, George Gaukler, Tisa Mason, Josh Kasowski, Mike Metcalf, Wade Bruns, Mary Simonson, Luke Trapp, Bill Carlblom, JoAnn Hooper, Bobby Koeplin, Jennifer Feist and Alicia Hoffarth

ABSENT: Leighton Smith

EX-OFFICIO: Chad Petersen, KLJ, and Keith Andersen, ICTC

President Paige Bjornson called the meeting to order at 6:45 a.m.

AGENDA: Remove #6 (Wellness Center) and replace with QuickBooks training and add Legislative Reception #14

MINUTES: Mary Simonson moved to approve the February 9th minutes as submitted. Wade Bruns seconded. Motion carried unanimously. Tisa Mason abstained.

FINANCIAL STATEMENTS: Summary financial statement and select statements provided. Tech II operating- taxes are higher than budgeted, noted February receivables; NW Industrial building-payment of utilities. Bobby Koeplin moved to approve the financial statements as submitted. Josh Kasowski seconded. Motion carried unanimously.

2013-2014 YEAR END FINANCIAL STATEMENTS:

1. RTC-cash flowing/breaking even, but need tenants to finance operations going forward. Long term debt is about \$100,000. Rents for 2015 listed are non-cancelable rents based on signed leases. George Gaukler moved to approve the RTC 2013-2014 year-end financial statement as submitted. Mary Simonson seconded. Motion carried unanimously.

2. Tech II-cash \$152,000, receivables \$71,758, interest expense increased due to lower number of jobs. Eagle Creek is paying the higher interest as additional rent; this is a good lease providing cash plus pay down of debt. Building is complete; detention pond improvements are pending. Bobby Koeplin moved to approve Tech II 2013-2014 year-end financial statement as submitted. Luke Trapp seconded. Motion carried unanimously.

3. VCBCDC-unrestricted cash of \$203,000, which is down by \$30,000 compared to last year due to Flex PACE Program. Due from Valley City is National Guard soft costs. Notes reviewable are \$295,000 for the initial housing program. Should receivables be noted as repaid to the City General Fund or City sales tax fund? Clarified how we show change in Flex PACE program; it is stated correctly based on how the program is operating now, no need to list as a subsequent event. Data Tranz is an asset; shows what we have invested plus income earned. Do not have a valuation of the business; will continue to monitor. George Gaukler moved to approve the VCBCDC 2013-2014 year-end financial statement as submitted. Mary Simonson seconded. Motion carried unanimously.

EXECUTIVE SESSION 7:00 a.m. Technology opportunity, marketing strategies and contacts in Director's report Mary Simonson moved to go into Executive Session. Josh Kasowski seconded. Motion carried unanimously.

EXECUTIVE SESSION:

CLOSE EXECUTIVE SESSION 7:20 a.m.: Bobby Koeplin moved to close the Executive Session. Mary Simonson seconded. Motion carried unanimously.

DAYCARE: Sent survey to 25 providers listed with Barnes County, received 15 responses. Valley City Children's Center has the capacity to care for 81 children and has additional space to expand. TLC Childcare has the capacity to care for 81 children and has 69 children now. Greatest need is care for infants to 2 years. Several issues cited as barriers. Convene meeting or follow-up another way with providers. Monitor child care grant opportunity through legislature/ND Department of Commerce; applications must be submitted as soon as funds are approved, highly competitive. Ask further questions of those interested and able to expand including certification.

RTC RENTAL RATES/IMPROVEMENTS: Reviewed current rates and status of leases. CAM is \$4-\$5/ sq. ft. Tenants have access to general use areas at no additional cost. Rate of \$12.50/sq.ft. was established in 2007 and has not

increased. EduTech has paid a lower rate since the locating in the building in 2001 because of tech support provided; however, support is minimal today. Rent for individual offices is \$250/month; the rate would be much higher if we charged on a per square foot basis. Set higher base with ability to adjust and provide incentives. George Gaukler moved to set RTC rental rate at \$15.00/sq.ft. with flexibility to adjust; EduTech increase will be \$2-\$2.50/sq.ft. and individual offices at \$300/month. Mary Simonson seconded. Motion carried unanimously. Need to require deposits for contractors moving forward or do not rent space because of damage to carpeting, etc. Value provided is well over \$15/sq.ft.

RTC renovations were approximately \$5,000 over budget; \$55,000 total, need funding source. Expect \$150,000-\$175,000 net funds from I-94 RDC. We expect to have \$5,000 Tech II construction funds remaining after detention pond improvements are completed. Land sale of 3.44 acres is pending. Cash flow internally until these items are settled. George Gaukler moved to approve an inter-company loan from Tech II to RTC. Luke Trapp seconded. Motion carried unanimously.

NOTE: Bill Carlblom left the meeting-absent and not voting on subsequent motions.

WELLNESS CENTER: Reviewed PowerPoint used at fundraising event, includes interior pictures. Construction budget-increase to \$17 Million due to projected cost increases. Fundraising-Barnes County request is pending, cash/pledges, bank loan approved-need pledges to back loan up. Total of \$3.5 Million to raise. The project will be bid today with an April 1st bid opening. May 1-15, decide if accepting bids.

ADMINISTRATIVE ASSISTANT: Wade Bruns moved to authorize advertisement to replace Meghan Dahnke. Mary Simonson seconded. Motion carried unanimously.

DIRECTOR'S REPORT:

1. May meeting date will need to be changed. Send note to Board to confirm.
2. Tech II detention pond-move forward, Bobby Koeplin is reviewing with contractor, updating price.
3. Tech upgrades-previously approved \$10,000 but need source of funds. Wade Bruns moved to pay out of unrestricted funds. JoAnn Hooper seconded. Motion carried unanimously.
4. I-94 RDC-Will follow up at next meeting; will close out project soon.

There being no further business, President Paige Bjornson adjourned the meeting.

Respectfully Submitted

Jennifer Feist
Director of Development